

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type: <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name: <u>City of East Lansing District Court, 54-B Judicial District</u>	County Ingham
Audit Date June 30, 2004	Opinion Date September 28, 2004	Date Accountant Report Submitted To State: November 17, 2004	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:


1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations.

You must check the applicable box for each item below:

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91] or P.A. 55 of 1982, as amended [MCL 38.1132])
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Reports on individual federal assistance programs (program audits).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Single Audit Reports (ASLGU).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Certified Public Accountant (Firm Name): <b>PLANTE &amp; MORAN, PLLC</b>			
Street Address 27400 Northwestern Highway, P.O. Box 307		City Southfield	State Michigan
Accountant Signature 		Date November 17, 2004	

**City of East Lansing, Michigan  
District Court, 54-B Judicial District**

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**Financial Report  
With Additional Information  
June 30, 2004**

# **City of East Lansing, Michigan District Court, 54-B Judicial District**

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## Independent Auditor's Report

Honorable Judges,  
Members of City Council, and District Control Unit  
District Court, 54-B Judicial District  
East Lansing, Michigan

We have audited the accompanying balance sheet of the City of East Lansing, Michigan District Court, 54-B Judicial Court, as of June 30, 2004. This financial statement is the responsibility of the management of the Court and the City of East Lansing, Michigan. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by the administration of the Court and the City of East Lansing, Michigan, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statement referred to above presents only the City of East Lansing, Michigan District Court, 54-B Judicial Court and is not intended to present the financial position of the City of East Lansing, Michigan, and the results of its operations in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statement presents fairly, in all material respects, the financial position of the City of East Lansing, Michigan District Court, 54-B Judicial Court, as of June 30, 2004, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statement does not present a Management's Discussion and Analysis, which would be an analysis of the financial performance for the year. The Governmental Accounting Standards Board has determined that this analysis is necessary to supplement, although not required to be a part of, the basic financial statements.

*Plante & Moran, PLLC*

September 28, 2004

# City of East Lansing, Michigan

## District Court, 54-B Judicial District

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### Balance Sheet June 30, 2004

#### Assets

Cash (Note 2)	\$ 234,399
Accounts receivable	<u>15,569</u>
Total assets	<u><u>\$ 249,968</u></u>

#### Liabilities

Appearance bond deposits	\$ 148,360
Due to State of Michigan	54,925
Due to Ingham County	24,804
Due to Michigan State University	8,303
Due to others	<u>13,576</u>
Total liabilities	<u><u>\$ 249,968</u></u>

# **City of East Lansing, Michigan**

## **District Court, 54-B Judicial District**

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**Notes to Financial Statement**  
**June 30, 2004**

### **Note 1 - Significant Accounting Policies**

The City of East Lansing, Michigan District Court, 54-B Judicial Court (the Court) was established by the State of Michigan under Public Act (the Act) 169 on January 1, 1973. Under the provisions of the Act, the City of East Lansing, Michigan (the City) is designated as the District Control Unit and is responsible for providing facilities and administrative assistance to the Court. As part of carrying out its responsibilities, the Court collects the revenue for fines and penalties on behalf of the State of Michigan, Ingham County, and Michigan State University and remits the appropriate amounts to such governmental entities. Such amounts are shown as receipts and disbursements of the Court. In return for such services, a portion of certain fines and costs assessed by the Court (after expenditures for operations) revert to the District Control Unit. The Court is not considered a component unit of the City as the Court has no separate governing board. Court revenue retained by the City and all operating expenditures are recorded in the general fund of the City.

**Basis of Accounting** - Transactions of the Court are recorded using an Agency Fund. The Agency Fund is custodial in nature and does not present results of operations or have a measurement focus. Agency Funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the Court holds for others in an agency capacity.

### **Note 2 - Cash**

As of June 30, 2004, the carrying amount and the bank balance of the Court's cash on deposit was \$234,399. Of that amount \$100,000 was covered by federal depository insurance, and \$134,399 was uninsured and uncollateralized.

### **Note 3 - Fixed Assets**

Fixed asset purchases are reflected as expenditures in the City of East Lansing General Fund when incurred and are recorded in the City of East Lansing General Fixed Assets Account Group. At June 30, 2004, the Court's fixed assets included therein was \$3,058,295.

# **City of East Lansing, Michigan**

## **District Court, 54-B Judicial District**

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**Notes to Financial Statement**  
**June 30, 2004**

### **Note 4 - Employee Retirement Plan**

Employees of the Court participate in the City of East Lansing Retirement Plan (the Plan). The City contributes to the Michigan Municipal Employees Retirement System, an agent, multiple-employer, public-employee retirement system that acts as a common investment and administrative agent for cities, counties, and villages in the State of Michigan. The City's Plan does not segregate plan assets or pension benefit obligations of the Plan as to separate funds of the City. Information regarding description of the City's Plan, funding status and progress, actuarially determined contribution requirements, pension benefit obligation, and trend information is included in the City of East Lansing Comprehensive Annual Financial Report for the year ended June 30, 2004. Pension expense allocated to the Court based on annual covered payroll was \$149,464.

## **Additional Information**

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Honorable Judges,  
Members of City Council, and District Control Unit  
District Court, 54-B Judicial District  
East Lansing, Michigan

We have audited the balance sheet of the City of East Lansing, Michigan District Court, 54-B Judicial Court for the year ended June 30, 2004. Our audit was made for the purpose of forming an opinion on the balance sheet. The additional information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statement of the City of East Lansing, Michigan District Court, 54-B Judicial Court. This information has been subjected to the procedures applied in the audit of the financial statement and, in our opinion, is fairly stated in all material respects in relation to the financial statement taken as a whole.

*Plante & Moran, PLLC*

September 28, 2004

# City of East Lansing, Michigan

## District Court, 54-B Judicial District

### Schedule of Receipts and Disbursements Year Ended June 30, 2004

#### Receipts

Fines:	
District Court	\$ 1,528,027
Parking	1,741,662
Penal	301,749
Court costs	721,229
State statute costs	620,417
Restitution	64,332
Court screening fees	29,306
Operating Under the Influence Cost Recovery	77,856
Other	114,948
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Total receipts	5,199,526

#### Disbursements

Current:	
Payments to:	
State of Michigan	620,417
Ingham County	301,749
Michigan State University	133,121
Restitution	64,332
Salaries	1,293,099
Fringe benefits	558,788
Witness and jury fees	8,487
Data processing services	11,729
Rental equipment	2,525
Printing	28,732
Office supplies	10,993
Process server fees	827
Postage	39,094
Telephone	25,220
Professional services	30,044
Conference and travel	3,039
Repairs and maintenance	60,242
Law library	7,401
City courthouse rental	266,200
Cost Recovery	7,186
Capital Outlay	227,773
Other	27,949
Remitted to District Control Unit	1,656,363
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Total disbursements	5,385,310
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Increase in cash	(185,784)

#### Cash

Beginning of year	<hr/> 420,183
End of year	<hr/> <b>\$ 234,399</b>